

DSA Fee Calculation for Projects with Solar Equipment Issue Paper

ISSUE:

The Division of the State Architect (DSA) charges a plan review fee for all school projects, including solar installations, based on the estimated cost of construction. For projects involving photovoltaic (PV) installations, the estimated cost includes the cost of the equipment, as is required for school building construction. Since the cost of equipment tends to be disproportionate compared to the cost of installation, the resulting DSA fee may be high relative to the scope of DSA review. This adds to the cost of solar installation projects for California schools and community colleges reducing the economic feasibility of such projects.

BACKGROUND:

The laws governing school construction project approval by DSA prescribe a fee structure for plan review based on construction cost of the project. The DSA administrative regulations (California Code of Regulations, Title 24, Part 1, Article 4) define the process for calculating and collecting the fees.

The majority of solar installations on school sites that are submitted to the DSA include installation of pre-fabricated solar PV modules (groups of PV cells) and related electrical work and building alteration (for example, roof anchorage), or new structures to support the PV modules (such as racks).

DSA PROPOSAL:

School and community college building project that must undergo DSA review are defined in the DSA administrative regulations. This includes "all structure and utility systems or facilities necessary to the complete functioning of the structures, used or designed to be used for instructional purposes..." as contained in the definition of school building per California Code of Regulations, Title 24, Part 1, Section 4-314. Since the PV modules are typically installed for the purpose of generating electricity supplied to the grid, this equipment does not represent a system necessary for the complete functioning of the structures.

Because the PV modules are pre-fabricated, their components do not require DSA review. However, the specifications of PV modules as well as the installation of the systems do require DSA review. The regulations proposed below aim at correlating the DSA fee to the work performed by DSA in reviewing projects with PV installations. Per the proposal, the DSA fee is based on the cost to install the PV equipment. The cost of the equipment itself is eliminated from the project cost calculation, reducing the overall DSA plan review fee for these projects.

It is the intention of DSA to only exclude the cost of modules from the determination of project costs for calculating DSA fees. The costs of supporting structures, racks, electrical equipment and wiring must be included in the determination of project costs.

PROPOSED REGULATION CHANGES:

4-322. Project cost. For purposes of determining fees, both the estimated and actual costs of the project shall be the total outlay for all work included in the approved plans and specifications (exclusive of fees paid, but not recovered, for architectural, engineering, inspection and testing services) regardless of whether the funds are provided by the school district, by other public or private agencies or by individuals. The cost shall include any moving or relocation. In the event

a building is converted to school use (see Section 4-306) the cost shall include the current replacement cost of the building. The current replacement cost shall be computed by multiplying an appropriate square foot cost by the total square foot area of the building being converted to school use. If work is done in portions the actual cost shall be determined at the completion of each contract. (See Section 4-325.) The cost of pre-fabricated photovoltaic modules to be installed as part of the project may be excluded from the determination of estimated and actual costs of the project.

The estimated cost and the fee based thereon shall not be amended after plan check has started except as provided by Section 4-317 (f) or for permissible increase in scope of project. The scope of a project shall not be amended after bids for all or part of the project are opened. No portion of the fee can be returned after checking has been started except as provided by Sections 4-317 (f) and 4-319.

Actual cost shall include all items which are normally considered to be contractor's operation costs such as district-furnished labor and materials, bond, insurance and use of district facilities, and shall not be reduced by charge-backs such as those for testing, inspection or overrun of contract time. All fees and/or reimbursable charges paid the construction managers shall be included in the actual cost of construction. When the contract for the work includes items not otherwise subject to the approval of DSA and not included in the approved plans and specifications the actual cost shall include this work unless such costs are segregated by separate bid items or by separately priced items of change orders, or by a certified copy of a subcontractor's bid. Such segregation shall not be made by contract price breakdown or estimates. An hourly fee may be charged to the school district for the review of bid alternates.